INDEX

ABN–AMRO merger 240–1
Acquisition cultural risk 227, 232–7
  case studies 240–50, 264
  concept of 235–7, 265
  incidence of 265–6
  locus of 266–7
  management implications 244, 250, 252, 254, 258–9, 263–4
  potentials for 234–5
  processes of 265
  related processes of 236–7
  sources of 264
Acquisition regimes 227–76
  acculturation modes 230–1
  capability transfer 231
  case studies 240–64
  concept of 237–9
  cultural issues in 227, 228, 230–5, 239, 264–5
  definition 267
  linking of strategic, cultural and power issues 237–9, 265–7
  organizational culture in 232–3
  organizational fit 229–30
  outcomes 268
  overt purpose of 267
  post-acquisition activity 270–1
  post-acquisition outcomes 230
  power asymmetry in 234–5
  prior research 229–32
  research agenda 271
  strategic analysis in 231
  strategic factors 229, 239
    case studies 240–50, 264
  trade-offs 253–4, 258, 262–3, 269–70
  varieties of 269
  see also Relative deprivation
Administration 121
Advanced manufacturing systems 13
Agricultural society and Japaneses culture 165–6
Agricultural technology 14
Allen & Co. 306
Alternative generation process 5
Alternative solutions 5
Amdahl 77
American Motors 64
AMRO. *See* ABN–AMRO merger
Analytic models 3–59
  applications 6–42
  role in strategic management 3–6
  taxonomy 6
Apple 83
Arbitrage pricing model 39
Arthur Rock investments 305
Arthur Young. *See* Ernst & Whinney/Arthur Young merger
Articulation 134, 135
Authority 156–7

Backlogs 18
Bargaining process 39–40
Bayesian model 5
BCG model 39
BDDP
  attempt to acquire BMP 245–50
  background, culture and acquisition regime 246–50
BMP
  background, culture and acquisition regime 245–6
  see also BDDP; Omnicom–BMP acquisition
Board of directors
  key roles and responsibilities 93, 99–100
  strategic vision 98–9
Boase Massimi Pollitt (BMP). *See* BMP

Boston Consulting Group (BCG) portfolio matrix 3, 42
Bottom-up approach 152
Boulet–Dru–Dupuy–Petit. *See* BDDP
Bundling 41
Bureaucracy 121
Business idea 111
Business system 111–12
Business unit vs head office 96
Buyer–supplier negotiation modeling 16

Canon 65, 69, 76, 81, 85
Capital asset pricing model (CAPM) 38, 39, 303–4
Career development 83
Cash flows 36
Catalyst for dialogue 4
Caterpillar 64–6
Causal Texture of the Environment 174
CBS. *See* Sony–CBS acquisition
Chairman 99–100
Change, dealing with 121
Chief executive officer (CEO) 95, 97–8, 100, 156, 213, 214, 217, 218, 221, 222
Chrysler 65, 83, 137
Coaching/counseling sessions 151–2
Cobb–Douglas production function 13
Coca-Cola 65
Collaborative ventures 83
Collectivism in Japanese culture 164–5
Commitment 67–78, 93
Communicating for Change 88, 90, 92, 101
Communication 84, 93
  need for more effective 100–1
  skills 101–2
Compact disks (CDs) 22
Competition
  innovation-based 35
  innovation impact on 13
  spatial 35
  time-based 11
Competition models 6, 28–35
  empirically driven 28
Competitive advantage 12, 24, 71, 72, 74
Competitive bidding issues 16
Competitive collaboration 77
Competitive effectiveness 180–1
Competitive engagement 76
Competitive innovation 74, 75, 77
Competitive intensity 188
Competitive revitalization 77
Competitive strategy 66
Competitive success 125
Competitive suicide 80
Competitive surprise 78
Competitive surrender 78–85
Competitor analysis 64–5
Competitor focus 70
Complexity, dealing with 121
COMPUSTAT database 23, 29, 30
Concave mixed-integer mathematical program 40
Conflict arenas 95–7
Confrontation arenas 95–7
Consumer-choice models 19–20
Content-oriented models 36
Control systems 38
Conversational game theory 34
Convictions 134, 135
Corporate acquisitions. *See* Acquisition regimes
Corporate challenges 69–70, 77
Corporate delayering 142
Corporate goals 71
Corporate models 6, 35–42
  empirical 36–8
  theoretical 38–42
Corporate vision 87, 105–16
  board of directors 98–9
  concept of 105
  creation of desired image 113
  definition 105
  development of 112–14
  failure of implementation 91–3
  focus and horizon 94–5
  impacts of 109
  importance of 89–90
  integrative 114
  integrity of 111
  intuitive 113–14
  main components of 133
  misunderstanding 108–12
  on-going review 115
  perspective of 105–8
  process of building 115
  reasons for creating 109–11
  reflective 112–13
  structure of 111–12
  transformation into action 115
Corporate–SBU relationships 38
Cost control, R&D 11

Cost-effectiveness
of alternative methods 13
of R&D projects 12
Creative strategies 84–5
Critical events 5
Critical variables 4
Cultural issues in acquisition regimes 227, 228, 230–5, 231, 239, 264–5
Cultural understandings in acquisition regimes 232–3
Culture
and leadership in Japan 160–8
see also Japan
Culture-building 123, 132–3, 136
Customer relations 98, 125

Daewoo 81
Data development analysis 8
Data-driven models 23
'Death in the drawer' 174
Decentralization 81, 82
Decision aids 5, 13
group-oriented 4
Decision-making 3, 14, 112
Decision tree 5
Deloitte Haskins & Sells/Touche Ross merger 259–64
Demand-side models 6, 19–28
Demotion 156–7
Denomination management 82–3
Dexter Corp. 41
Dialogue, catalyst for 4
Differentiated products 35
Directors vs managers 95
Distribution models 18–19
Diversification models
empirical 36–7
theoretical 38–40
Diversification through acquisition/mergers 39
Document management 215
Docutec product 214–15
Dow Jones Industrial Index (DJII) 301

Economies of scale 37, 82
Economies of scope 40, 82
Educational process 6
Effective Board, The 99
Effective Organizational Leadership (EOL) model 146
Electronic Data Systems. *See* General Motors–Electronic Data Systems acquisition
Electronic Printing (EP) 218
Empirically Validated Paradigmic Theory of Strategic Success Behaviors 192–4
Entrepreneur 112–13
task of 108
Environment Serving Organizations (ESOs)
capability 175
characteristics of suboptimal behaviours 188
general management capabilities 181
impact of competitive intensity on decline of performance as function of gap 188–90
impact of environment dependence on behaviour 190
impact of multiplicative measure of total gap 192
impact of strategic myopia on performance 191
importance of strategic responsiveness as function of environmental turbulence level 190
irrationality of managers' response during changes of turbulence levels 192
relative importance of technological aggressiveness 191
research population 182
strategic success behaviours 173–203
success variables 180
summary of findings 192–4
see also Strategic Success Hypothesis
Environmental change, implementation 286
Environmental conditions in traditional Japanese–style leadership 167–8
Environmental consequences 14
Environmental Dependence Hypothesis 190
Environmental restrictions 15
Environmental turbulence 36, 175, 181, 190, 192
Epson 81
Ernst & Whinney/Arthur Young merger 263–4
Ethical principles 111
Experience effects 8–9, 37
Experimentation 110
External constraints 14

Failure documentation 78
Fast-track managers 83
Financial theory, important concepts in 302–4
'Fishing expeditions' 23
Flexible manufacturing technology 11, 13, 14, 17, 75
Focus 94–5
Ford 77
Forestry resources 15
FTC database 29
Fujitsu 68, 77, 81
Functional models 6

Game theory 6, 12, 14, 16, 33–4
General Electric 80, 81, 83, 174
  applying changes to older and newly acquired units 257–8
  integration strategy 255–9
  Welch's strategic, organizational and cultural shifts 256–7
General management capability 181
General Motors Corp. 9, 77
General Motors Electronic Data Systems (EDS) acquisition 252
Generalist vs specialist 97
Global brands 81
Global competition 66
Global leadership 66, 68, 78, 85
Global markets 82
Governmental regulations 15
Governmental restrictions 14
Group characteristics 159
Group definition 30
Group-oriented decision aids 4
Group relationships in Japan 164–5

Hambrecht & Quist 306
Harbridge Consulting Group 277
Harvesting of resources 14–15
Head office vs business unit 96
Heuristics 4
High church game theory 34
High-technology environment, managing strategic change in 205–25
Hiring processes 6
Hitachi 74
Holding company vs subsidiary or operating company 96–7
Honda 65, 75, 76, 78, 81
Horizon 94–5
Horizontal differentiation 26–7, 31–2
Hotelling-type models 25

IBM 68, 76
Icahn–TWA acquisition 250–2
Implementation process 6
In Search of Excellence 136
Information technology 65
Innovation, 'Silicon Valley' approach to 68
Innovation-based competition 35
Inspection systems 18
Intelligent decision-support system 15
International alliances 66
Inter-organizational relationships 228
Intuition 108
Inventory models 17
Inventory planning 17
Investment opportunities 301–20
  comparative performance of 310–11, 313
  default rate 316
  individual year returns 315–16
  market efficiency 303–4
  performance of venture capital portfolios 307–9
  portfolio analysis theory 304
  research questions 302
  results of study 313–16
  review of literature 302–12
  risk and return 303, 316
  total returns and variances 315
  variables under study 312–13
  see also Venture capital investments
Iterative cycles of problem formulation 5

Japan
  acquisition of Dutch company 242–3
  agricultural society and culture 165–6
  collectivism 164–5
  comparisons between leader predecessors and successors 162–3
  environmental conditions in traditional-style leadership 167–8
  future direction of society 168–9
  future environment and culture 168
  future of traditional style leadership 168–70
  group relationships 164–5

leader–follower relations 166–7
leadership and culture in 160–8
new leadership for the twenty-first century 169–70
physical appearance of leaders 162
selection processes of leaders 163–4
traditional-style leadership 164–70
Job processing time 18
Joint ventures 39, 77
Just-in-time (JIT) 15, 18

Kanban concept 18
Kleiner Perkins Caufield & Byers 305
Klynveld Main Goerderler. *See* Klynveld Peat Marwick Goerdeler (KPMG)
Klynveld Peat Marwick Goerdeler (KPMG) 263–4
Kodak 76
Komatsu 64–6, 69, 72, 74

La Quinta Motor Inns 9
Layout of manufacturing systems 16
Leader–follower relations in Japan 166–7
Leadership 117–26
agricultural society in Japan 166
and culture in Japan 160–4
behaviour lessons 138–9
charismatic 143–4
components of 146
controller/manipulator 137, 139
created by personality 160
cultural aspects 157–8
definition 119–20, 143
development 144
driving people 155–6
effective 158–60
emergence 133–4
essential attributes in demonstrating 158–9
essential elements of 120
heart, head and hands of 118–20, 123–4
identifying gaps in behaviors 147–50
in depth 138–9
inspirational (meta) 119–20, 135
inspiring 124
institutionalizing 144
instrumental 143
macro 120, 130–4, 138
meta 119–20, 135
micro 118, 120, 121, 130–1, 136, 138
misunderstanding 138
model of effective 145–7
nature and function of 155–8
omnidirectional 156
organizational (macro) 120, 130–4, 138
outside organizations 133–6
overall framework 118
PACE model 118–19, 134–5
PACE(R) model 119, 124, 134, 139
process of 157
rational 157–9
roles of 105
styles of 130–1
supervisory (micro) 118, 120, 121
transactional 136
transforming 121–3, 124–5, 136–8, 139
types of 117
use of term 117, 127–30
visionary/enabler 139
vs management 120–2, 143–5
see also Japan
Leadership and Performance Beyond Expectations 124
Leadership-focused management development 141–54
Leadership of Customer-Driven TQM: A Handbook for Managers 125
Leadership Through Quality (LTQ) 212–15, 217–19
Learning effects 8–9
Learning organization 151
Least squared error (LSE) 9
Licensing 77
Linear additive modelling approach 14
Linear goal programming (LGP) 39
Linear programming 13, 15
LOCAT model 10
Logistic (or functional) capability 181
Long-term thinking 111
Long-term view 111
Loose bricks 75, 82
Lotus 1-2-3 13
Low church game theory 34
Lucky Gold Star 81

McKinsey model 39, 42
Management
capability 180, 183
capability gaps 192

Management (*cont.*)
definition 143
implications of Strategic Success Hypothesis for practice of 196–8
philosophy 90
vs leadership 120–2, 143–5
Management development 141, 144, 145, 277–99
for new roles 150–2
holistic approaches 151
leadership-focused 141–54
strategic approach 287–97
Management training 277–99
assessing individual needs 296–7
audit of current training provision 289
changing organizational culture 285
designing a training initiative 292–6
environmental change 286
indirect corporate needs 287
organizational change 283–5
policy implementation 281–2
policy implications of new approach 289–92
problem solving 286–7
slanted course 293
standard course 293
strategic approach 287–97
strategic framework 289
strategic orientation 278–87
strategy implementation problems 280–3
tailored course 293–6
traditional approach 288
Managers
effectiveness 141, 145
new reality of 142–3
task of 107
vs directors 95
see also Middle managers
Managing the Flat Organization 88–91, 93, 100
Manufacturing issues 11
Manufacturing resource planning (MRP II) 16
Manufacturing systems, layout of 16
Market efficiency 303–4
Market response models 20, 28
Market segmentation models 24–5
Market share 34
Market share models 22–4
Marketing intelligence 75
Matching turbulence/aggressiveness/responsiveness triplets 180
Material–production–distribution supply chain 19
Materials flow 17–18
Matsushita 74, 76, 77, 81
Mazda 75, 77
Mergers. *See* Acquisition regimes
Meritocracy, imposing to neutralize relative deprivation 255–9
Middle managers
change in behaviors 150–1
changing role of 142
disenfranchisement of 143–4
needs of 141–2
see also Managers
Minolta 81
Mission statement 87, 93, 139
Most productive scale-size (MPSS) 8
Motorcycle industry 75
Multinational management 66
Multiproduct translog cost function 38
Multi-tier pricing schemes 27

Natural gas flaring 15
NEC 65, 81
NMB–Postbank merger 241–2
Nonreplenishing resources 15
Northwest Airlines–Republic Airlines acquisition 250–2

Office automation 13
Offshore oil fields 15
Olivetti 83
Omnicom–BMP acquisition 249
Open systems 4
Operating company vs holding company 96–7
Operations research 10–11, 40
Optimal pricing models 27–8
Organizational change, management training 283–5
Organizational culture
changing 285
in acquisition regimes 232–3
Outsourcing agreement 77

PACE model of leadership 118–19, 134–5
PACE(R) model of leadership 119, 124, 134, 139

Palo Alto Research Centre (PARC) 213
Panasonic 81
'Paralysis by analysis' 174
Participation 84
Passion for Excellence 137
Path-finding 123, 132–3, 136
Peat Marwick/Klynveld Main Goerdeler merger 263
Perception 134
Performance revitalization 63–78
Personal relationships 159
Personality 160
Philips 77
PIMS database 23, 28–9, 37
PLANETS model 9
PN Model 109
Policy implementation, management training 281–2
Portfolio analysis theory 304
Portfolio models 41–2
Portfolio planning 80–1
Postbank. *See* NMB–Postbank merger
Power asymmetry 264–5
  in acquisition regimes 234–5
Practice field approach 152
Practice field notion 151
Price promotion models 28
Pricing models 27–8
Problem solving, management training 286–7
Process innovation 12–14
Product development 12
Product differentiation models 25–7
Product diffusion 21–2
Production innovation 11–12
Production management 10–11
Production scheduling 17
Professional, task of 107
Profitability, strategic groups 31
Punishment 156–7
Purchasing resources from suppliers 15–16

QITs (Quality Improvement Teams) 219
Quality: The Next Steps 88, 90, 92, 93, 96–9, 101
Quality circles 84
Quality inspection 18
Quality package 96
Quasi crisis 70

R&D projects 69
  cost-effectiveness 12
  evaluation 12
  expenditures 11, 27
Railcards 27
Rank Xerox (UK) Ltd 205–25
  background information 211–15
  findings of 'Perceptions of Strategy' questionnaire (1990) 215–20
  findings of 'Perceptions of Strategy' questionnaire (1991) 219
RCA 80
Reciprocal responsibility 71
Relative deprivation
  equity solution to neutralizing 259–63
  in acquisition regimes 235–6
    case studies 250–4
  neutralization case studies 255–64
Republic Airlines. *See* Northwest Airlines–Republic Airlines acquisition
Resolution 134, 135, 139
Resources, harvesting of 14–15
Responsiveness of management capability 180, 183
Return on investment (ROI) 23, 311
Review mechanisms 70
Risk and return in venture capital financing decisions 303, 316
Risk aversion 36
Risk taking 110

Samsung 81
Sanyo 74
SAS 113
Scheduling problems 17
Schumpeterian hypothesis 12
Scope effects
  empirical models 37–8
  theoretical models 40–1
Sea-Fishing Industry Authority 15
Seiko 81
Self-leadership 145
Sense of urgency 70
Sensitivity analysis 4
Sevin Rosen Management 305
Sharp 74
'Shotgun research' 23
Siemens 77
'Silicon Valley' approach to innovation 68
Simulations 6

Site selection 9–10
Skill development 71
Skills provision 70
Small Business Investment Company (SBIC) 301
Sony 81
SONY–CBS acquisition 243–4
Space program 65
Spatial competition models 34–5
Specialist vs generalist 97
STC 77
Stochastic dynamic programming algorithm 15
Strategic aggressiveness 180, 183, 191, 192
Strategic analysis
  in acquisition regimes 231
  tools of 80
Strategic behaviour, study of 195
Strategic business units (SBUs) 38, 82
  models 6
  portfolios of 41–2
  structure 81
  synergies among 42
  vocabulary 42
Strategic change
  in high-technology environment 205–25
  management of 222–3
  overview 208–11
Strategic groups 29–33
  and performance 31
  and profitability 31
  modeling 32
Strategic intent 63–86
  and essence of winning 65
  and personal effort and commitment 67–78
  definition 65
  stability over time 66
Strategic management 174
  definition 206–8
Strategic myopia 191
Strategic options 4
Strategic planning 67–8, 173–4
Strategic responsiveness 180–1, 190
Strategic Success Hypothesis
  data collection 183
  domain of applicability hypothesis 182
  evolution of 174–5
  findings based on 185–7
  historical background 173–4
  integrating concept of 175
  operationalizing 175–80
  research hypothesis 181–2
  research questionnaire 183
  sample research instrument 200–3
  summary of findings 192–4
  validation 185–7
Strategy
  formulation 84
  hierarchy 83, 85
  implementation, management training 282–3
  models 66
  new model of 63–6
  recipes 79
  remaking 64, 66–7
Strategy and Structure 174
Subsidiaries vs holding company 96–7
Subsystems 4
Subtrees 5
Successive linear programming (SLP) 9
SuperLeadership 144
Supertrees 5
Supplier selection and evaluation 15–16
Supply-side models 6, 7–19
  empirical 8
  experience/learning effects 8–9
  scale effects 8
  site selection 9–10
  theoretical 10–19
Synergies among SBUs 42

TA Associates 306
Tardiness 18
Tax Reform Act of 1986 20
Taylor series expansion 9
'TDC' 137, 139
Technological innovations 12–14
Technology choice 12–14
Technology switching policy 14
Telefunken 77
TESTER model 5
Thomson 77
Thorn 77
Time-state-preference valuation model 13
'TLC' 137, 139
Top management commitment 93
Toshiba 74, 76, 78, 81
Total customer service 84
Touche Ross. *See* Deloitte Haskins & Sells/Touche Ross merger
TQM (Total Quality Management) 124–5

Transportation costs 35
Travelcards 27–8
Turbulence Level 183
TV business 80
TWA. *See* Icahn–TWA acquisition
Two-good partial-equilibrium model 41

Uncertainty 91, 133
  dealing with 121
USSR 65

Value 125
Vehicle routing models 19
Venture capital investments 301
  comparative returns over time 309–10
  current situation 311–12
  performance of 304–12
  see also Investment opportunities
Venture capital portfolios, performance of 307–9
Venture Economics, Inc. 302
Vertical differentiation 25, 31–2
Vertical product differentiation models 25–6
Videocassette recorder (VCR) market 22
Visioning. *See* Corporate vision

'What-if' analysis 15

Xerox Corporation 65, 69, 76
  see also Rank Xerox (UK) Ltd

Yamaha 78, 80

Zero inventory 18
Zero–one linear programming 34

Index compiled by Geoffrey C. Jones